

Phelps.

Speech ... on Pacific railroad.

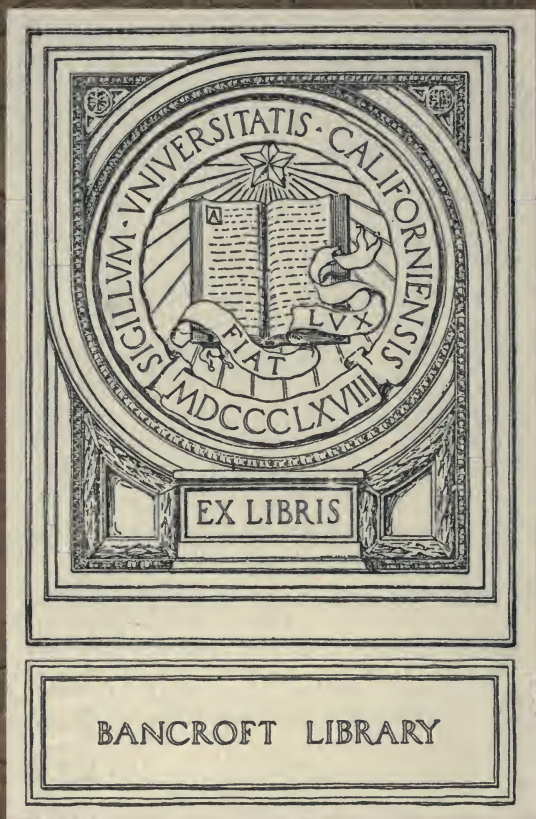
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HON. T. G. PHELPS, OF CAL.,

ON

THE PACIFIC RAILROAD.

DELIVERED IN THE HOUSE OF REPRESENTATIVES, APRIL 8, 1862.

The House having resolved itself into the Committee of the Whole on the state of the Union, proceeded to the consideration, as a special order, to aid in constructing a railroad and telegraph line from the Missouri river to the Pacific Ocean, Mr. PHELPS said:

Mr. Chairman, after the able argument of the chairman of the committee, I propose to submit but a few remarks upon the important measure under consideration.

It has been thoroughly discussed in the public prints and by the great men of the country in and out of Congress, and its merits are so well understood by not only every member upon this floor, but by all of our constituents, that I cherish the hope that Congress will be as willing to act speedily and favorably upon the bill as the country is willing and anxious it should, as I believe the people, with a unanimity seldom known upon a great measure of the kind, have been desirous for a long time for the consummation of this great project, that is to be the means of settling up the territory between the two inhabited portions of the country, and bringing the Atlantic and Pacific States into a closer alliance, affording them the means of intercommunication and exchange so necessary to the peace, progress, happiness, and security of a people living under the same Government.

While we have all seen and acknowledged the necessity of this great national work when the country was in the enjoyment of peace, its necessity has become, amidst the trials and dangers that now unhappily surround us, most painfully apparent. A few weeks ago, when dark clouds hung like a pall over this city, threatening European war, there was not, I presume, one of us who did not feel that our Pacific possessions were isolated, exposed, and difficult of defence, rendering us weak for standing the shock of battle with a foreign Power, and that we had been negligent to the extent of guilt, in failing to prepare the country for the emergency that then seemed to be upon us. The danger of European war is happily passed for the present. But should we not profit by the peril through which the ship of State has just been happily guided, and prepare for future difficulties that may not admit of so easy an adjustment? It is not my purpose to speak at much length of the importance of this measure in securing the safety of the Pacific States. On that score my colleague has made an unanswerable argument, for which I thank him, and for which his constituents and the country will thank him. I could add but little to the force of his able speech.

Never, sir, were words of greater wisdom uttered than those used by our great statesman when he counseled us to prepare in time of peace for war. Our weak and assailable points should at once be strengthened and made secure. The safest and cheapest way to avoid foreign dictation and war is to create an impregnable defence, to place ourselves in such a position that we cannot be assailed by any nation with any chance of success to the assailant or permanent detriment to ourselves. At the present time our Pacific slope is not only isolated from the central Government, and from the wealth and population of the country, but is almost wholly defenceless; entirely so in fact, except the partial defences in the harbor of San Francisco. We have a line of sea-coast of more than one thousand miles in extent, stretching from 32° 30' to 48° 30' north latitude, and making in this distance seven and one-half degrees of longitude. Along this whole line there are no defences worthy of the name, except the works at Fort Point and Alcatraz Island; all the rest is at the mercy of an invading force, which could be easily landed at almost any point which might be selected.

As to a navy, we have upon the Pacific waters some three or four steam and other war vessels, and perhaps as many more that could, under an urgent necessity, be converted into war vessels without much delay. The population along the whole coast numbers less than one million souls, scattered over an area much larger than the original thirteen States of the Union—a territory possessing a wealth in the precious metals sufficient to tempt the cupidity of the world, and richer far in soil than any other which we possess, excepting the deltas of some of the rivers in the southern and western States. This people, though brave and loyal, are so scattered and exposed at every point that they could, with the defensive resources with which they are now supplied, make but a feeble resistance against an invading foe. We ought

not, sir, to leave this distant portion of our domain longer thus exposed—a temptation to other nations to make war upon us for its possession; or, in case war ensues from other causes, its exposed condition inviting the first notice of the enemy. We should not subject to such hazard, or to any hazard at all, that portion of our country the mineral products of which form the basis of our currency, and which is adding so much, year after year, to our national wealth; nor subject the Government to the possible expenditure of untold millions for its defence after a crisis has arisen. To fortify the whole coast by the erection of forts is a present impracticability; that is a work requiring a half century of time, and millions of money.

If, then, we would avoid the hazard of losing our Pacific possessions in case of war, we must provide the means of defending them. This can only be done in one of two ways. We must either have a railroad across the continent, by which troops and munitions of war can be rapidly transported to that coast, or we must maintain a sufficient force there in time of peace to meet the exigencies of war, for it would be wholly impracticable to send a force to that coast across the continent by the means which we now have after hostilities are declared against us by a foreign power, and equally impossible to send such a force by sea. To keep such a standing army as would be necessary for its protection, on that coast, for a few years only, would equal the entire cost of constructing a first class railroad from the Mississippi to San Francisco; and the policy of keeping such a force in time of peace is more objectionable to our people, and more obnoxious to the theory and practice of the Government than to lend its aid in constructing a work of such national importance, and one so clearly demanded in the absence of a large standing army, as furnishing the only means of defending this important portion of our domain. Every one of us would repudiate with infinite scorn the idea of relinquishing a single foot of our territory, in any part of the country, whatever may be the cost of preserving its integrity. Then we must elect between these two alternatives, namely, a large standing army on the Pacific, or that of supplying the means of transporting an army there in case of emergency. Can there be a doubt as to the choice the country would make if submitted to the people? In regard to the importance of early action in this matter, I find in a most able letter from our counsel at Paris, addressed to Mr. Seward, the following timely suggestions:

"The union of the Pacific and seaboard States by an iron road never appeared so clearly a national necessity as it has since the recent threatened rupture with England. The first and inevitable result of a war with any great naval Power would be the loss of our California possessions.

"Whatever may have been the traditional policy of the Government heretofore, some easy, sure, and rapid communication between the Atlantic and the Pacific is now a subject of such direct national concern that the Government must charge itself with the execution of it without much delay."

Never were words more true or more opportunely spoken. No one who has visited our western coast has failed to realize their complete isolation from the General Government and their perilous condition in case of foreign war. But none whose interests and homes are not there can appreciate the anxiety of the citizens of that coast on this score. Should they not have all the security from foreign invasion which the General Government can reasonably extend to them? Have we passed that period when any portion of our people can appeal in vain to the Government for protection? I will not believe it.

It may be urged by some that the expenditure will be large. True, nominally it is so, but in fact it is most insignificant, considering the great results to be gained. The whole of the land to be donated, should all the lines of road mentioned in the act be built, amounts, at Government prices, to not more than \$11,000,000. So far as concerns the issue of bonds of the Government, the amount which is provided may be issued, as the road by sections of forty miles is fully completed, does not exceed one half the cost of its construction, and the issue is only made on a first mortgage of the road, which is to be unincumbered by any other lien whatsoever, the mortgage stipulating that the company will pay back to the Government in mail and military service and in money the principal and interest of the bonds loaned, and provides for a forfeiture of the road in case of a failure on the part of the company to fulfill the conditions imposed.

Does the Government take any hazard in making a loan of its credit in this way to secure the construction of a great work so necessary to the general interests and security of the whole country. Is it not one of those perfectly safe operations in which bankers and merchants, when the amount does not exceed their means, do not hesitate to engage. We believe it to be so, and that no loss can ultimately befall the Government from aiding this enterprise.

But it is claimed by the anti-progressives that it is illegitimate for a Government to give aid in this way or in any way to any purpose of the kind. This is error. On the contrary, sir, it is to carry out such great enterprises, which are demanded for the safety of communities, and the wants of commerce and civilization, and are beyond the means and ability of individual and corporate enterprise, that Governments are formed, and are just as legitimate objects for Government to engage in as the construction and maintenance of ships of war.

For what are Governments formed if not to protect their citizens from foreign invasion and wrong—to secure their happiness and promote their general welfare? And are they restricted in the manner in which they shall protect their citizens or promote their general welfare? If we are satisfied that the building of this road will render us as strong for defensive operations as would the building and manning of an hundred line-of-battle ships, may we not assist the enterprising subjects of the Government in building it by the exercise of the same powers that we exercise every time we make an appropriation for the increase of our Navy. Certainly we may do all this; and as I feel there can, at this day, be no lingering doubt in the mind of any well informed man as to the imperative military necessity of this road, I will pass from its consideration in this aspect, and consider for a few moments the benefits our Government and people are likely to derive from it in other respects.

The gentleman from Pennsylvania (Mr. CAMPBELL) has shown us, by authentic figures, that the cost of transporting military and navel stores and the mails to the Pacific coast, amounts to \$7,000,000 per annum; and that, of this sum, an amount more than large enough to pay the interest on the bonds to be issued under this bill, would be saved by the construction of this road.

This I believe is the only Government that does not admit, as one of its proper objects, the aiding of great enterprises of this kind, in forwarding the interests of its commerce and development of its internal resources. Whether in this respect we are more prudent than wise, time will determine. Is it not well to glance occasionally, however, at the doings of other Governments, and perchance learn a lesson thereby? France has aided her railroad companies in the last few years, much in the manner proposed in this bill, to the extent of \$245,000,000, not only with great advantage to the general interests of the country, but to the financial interests of the Government. Mr. Bigelow, speaking of her railroad system, says:

"It was inaugurated when the finances of France were in a deplorable state, and it has added incalculably to her wealth, as well as to her political power, and is to-day the main basis of her financial credit."

Speaking of railroads in Russia, he says:

"Russia had scarcely signed the treaty of peace which brought the Crimean war to a close when she began to carry out the vast designs for opening up to commerce and settlement the vast portions of her empire, of which the war had revealed the necessity, and also to inaugurate a system of common schools and to emancipate her serfs. These were a few of the great enterprises which she commenced, and with every prospect of success, when she was pronounced by the English press exhausted and bankrupt."

But is she bankrupt, or impoverishing herself? No, sir; quite the contrary. There is no Government on the globe now making such wonderful strides towards wealth, greatness, and power, as Russia. What is to be the effect of this extensive European railway system upon our commerce and interests, is a question of great importance to us. Speaking of that, Mr. Bigelow says:

"Mr. Beckwith thinks, and not without good reason, it seems to me, that we shall find at the close of this war one half of our cotton business has been transferred to India. Soon, too, Russian roads will be opened through the whole region of the Terre Noire, from the Black Sea to the Baltic, which, from its rich bottomless soils, will yield incalculable quantities of food now inaccessible. France is pushing her railway system down into Spain, and, in concert with that Government, is opening up vast regions hitherto uncultivated, which would grow wheat enough to feed all Europe. In these ways our export trade is seriously threatened, and can only be preserved by a railway system proportioned to the magnitude of our territory and its natural resources, by which everything that the industry of the country can produce can have its market."

That he is not mistaken as to the danger of our export trade being destroyed is but too apparent. We have not only to suppress the rebellion, but, as far as we can, to do away with its disastrous results upon the industry of the country.

It is not alone the enterprises of France, Russia, and Spain with which we have to compete, but England, too, is fully up to the requirements of the age in her railroad projects, carried forward in aid of her commerce and industrial interests in every part of the globe. She has expended in the Indies more than sufficient to build a road across the American continent, and chiefly for the purpose of securing, independently of the United States, the single article of cotton, on which the industry of a portion only of her citizens depend. Canada has expended in the last ten or twelve years, in rivalry of American interests, more than forty-three millions of dollars in the construction of canals and railroads; an amount equal to the aid proposed to be extended to this road on its first mortgage bonds; and yet, Canada, with all of its surroundings, does not more than equal in population the State of New York. Yet, sir, there is no country where a railroad would serve such great purposes, and is so much demanded as the one under consideration. England, France, Russia, and Spain each have their commercial and local interests to advance by their roads; but we have, by the construction of this road, a country to settle and populate almost as large as the whole of Europe, and a commerce which we may obtain by it larger than was ever enjoyed by any nation since the world began. All that vast territory lying west of Kansas, east of the Sierra Nevadas, and between Mexico and the British possessions, is inaccessible to settlement except by railroad.—Throughout most of the settled portions of the country our lakes and rivers have

been highways of commerce, and have aided much in settling the country, but in all that region mentioned we have no such advantages. There railroads must supply the indispensable purposes of communication and exchange which lakes and rivers have done in other sections.

The experience of the infant settlements already made in Utah and Nevada teach us how utterly hopeless is the task of peopling that country without the aid of railroad communication. The people of Salt Lake, though industrious, and occupying the richest soil, and aided greatly by the overland emigration to California, with which they have been able to make desirable exchanges, and who, from their peculiar religion, seek to live wholly within themselves, have made but little progress during the last few years. In Nevada we have a mining population of some twenty-five or thirty thousand, to whom all articles of consumption have to be freighted from the Sacramento valley at an average cost of not less than \$4,000,000 per annum to every twenty-five thousand persons, or \$160 to each person, an amount greater than the average earnings of our citizens. Thus, sir, these settlements, though small, are sufficient to demonstrate the utter impracticability of settling that Territory with the present avenues of communication. Yet it is very important those lands—embracing more than five hundred million acres, much of it rich agricultural land, and the mineral wealth of which cannot be estimated—should be brought into market, and that country settled and made to add to our wealth and power, instead of draining our wealth and contributing to our weakness.

These, sir, are some of the considerations that urge upon us immediate and favorable action on this bill. Time does not permit a full presentation of the arguments in favor of the enterprise; besides, few even among its most earnest supporters could begin to detail all the benefits that would follow from its consummation.

We can sometimes make a closer estimate of the benefits of a contemplated work of the kind from analogy than in any other way; and, fortunately, we have a work that will serve our purpose, to some extent, though of far less importance in every point of view. It is but a short time since, though before the era of railroads, that western New York was almost a wilderness, and its sparse settlements, together with those of western Pennsylvania and Ohio, had no markets or means of intercourse with commercial centers. The progress of settlement in all that section—then the far West, but now the center of wealth and population—was but slow, as the wants of a market more than offset the advantages of soil and climate. But De Witt Clinton conceived the project of constructing the Erie canal to afford them the means of reaching a market with their surplus products with which to buy the luxuries of more civilized life. After surmounting numberless difficulties, and meeting the persistent objections of the timid, the weak-minded, and the do-nothing-anti-progressive school, who feared to depart from the beaten paths of their ancestors, he had the satisfaction of seeing the great work commenced; and then it was that all through the West the noise of machinery and the din of busy multitudes began to break upon the quiet of ages; the trails of the savage became obliterated by the tread of a resistless emigration, and the native forests began to disappear before the sturdy pioneer, and the face of nature to be made glad by the arts of civilization, and towns, villages, and cities sprang up everywhere as if by magic. And so it will be in our now great western wild if we authorize the construction of this road. The Erie canal may not have paid back in mere tolls the cost of its construction, but it has added to the aggregate wealth of the State of New York more than five hundred millions, has made her the Empire State of the Union, and her chief city the commercial emporium and center of the continent.

But its results have not been altogether local; on the contrary it has contributed in no small degree to our national prosperity. In the early settlement of the great West, the wealth of which contributes so much to the support of the Government, and whose hardy, patriotic, and gallant sons have been dealing such telling blows against the rebellion and in favor of the Constitution and the Union, and without whose aid we should be powerless to cope with treason to-day. And yet, Clinton, like Watt and Fulton, at an earlier day, was denounced as a speculate dreamer for undertaking that magnificent enterprise, so grand in its results, so extensive in its benefits. So much must those meet and endure who dare to take a step in advance of the position held by contemporaries. But Clinton lived to see the triumph of his project, the completion of that great undertaking; a work that is a more enduring monument to his name than perpetuates the memory of almost any other man; a more noble achievement than though he had secured the Presidency, and dispensed Federal patronage through a half dozen terms of office.

Sir, I desire to draw no unpleasant comparison between the relative condition of States, but it is sometimes profitable to notice the difference in their prosperity, and trace the causes that have led to it: Virginia, possessing an area one fourth greater, a better soil and climate, had, in 1790, more than double the population, wealth and commerce of the State of New York; now, New York has double the population, five times the wealth, and twenty-five times the commerce of Virginia. The causes which have led to these wonderful changes in the condition of those States are al-

most as apparent as the fact that the changes have occurred. Virginia has rested content with her natural advantages, while New York, through her great public works, has been constantly marching forward on the highway to wealth and greatness, until now she is an empire within herself, possessing as large a population, and more wealth and commerce than was possessed by the whole country eighty years ago. May we not learn a wise lesson from the history of those States, and profit by their experience? What the Erie canal has been to the State of New York, a Pacific railroad is destined to be to the whole country.

There are, then, two good reasons why we should pass this bill, either one of which is sufficient to justify its passage, namely: it is a military necessity; and, secondly, it is absolutely essential to our internal development. But there is another reason, which would be sufficient of itself to induce any European Government, under similar circumstances, not only to give the aid proposed, but to wholly construct the road in the speediest possible way; and that is, sir, the fact that beyond its western terminus lies Japan, China, and the East Indies, with their more than four hundred millions of industrial inhabitants, whose commerce, the most tempting prize ever within the reach of any country, may be secured thereby. To secure this commerce would not only add vastly to our national wealth, but it would build up, through individual enterprise and the currents of trade opened by it, such a fleet of steam and sail vessels, and give us such a naval predominance upon the Pacific, as would enable us to defy the maritime Powers of the world on that ocean, and would render our Pacific possessions safe within themselves for all time to come. And not only would we derive the advantages of an increased trade and national security, but we would save in the present condition of our commerce, as may be learned from facts within the reach of all, on freight, interest, and insurance on our precious metals, and on our money exchanges, an amount every ten years equal to the entire cost of the road. As this source of drainage upon our national wealth does not appear to have been much examined into, I beg the indulgence of the House for a few moments to present some facts in relation to it.

Our imports from China, in the year 1857, amounted to \$8,356,932, and our domestic exports to China amounted to \$3,019,900, leaving a balance of trade against us of \$5,337,032. In 1858, our imports from that country amounted to \$10,570,536, and our domestic exports to only \$2,467,645, leaving a balance against us of \$8,102,891. In 1860, the amount of our imports from the same source was \$13,566,641, and that of our domestic exports \$7,170,784, leaving a balance against us of \$6,395,802. These figures exclude the exports of gold and silver. For the years 1859 and 1861 I have been unable to obtain the statistics.

It will be observed that our trade with this nation is rapidly increasing, our imports having increased from 1857 to 1860 about sixty per cent., while our exports of domestic produce show the gratifying increase of more than one hundred and thirty-three per cent. This commerce, so rapidly increasing in importance, needs facilities which it does not now possess; and by giving the facilities necessary to its prospective growth, such as England and all other nations so willingly extend to interests of like magnitude, it may be extended and increased, until at an early day it will profitably absorb annually millions of dollars' worth of our manufactured goods, and all of the gold and silver taken from the mines of California, Oregon, Washington, and Nevada, and give remunerative employment to a merchant fleet as large as that which we now possess.

It is not reasonable to suppose, under any circumstance, that the balance against us in our trade with China, will, at any time, be less than in the year 1860—say \$6,400,000 in round numbers. This amount of indebtedness is now mostly paid through English houses, at a cost to us of about twenty per cent. At the present rate of exchange, then, the balance against us, to be paid by remittances of money or bills of credit, will cost us annually, the sum of \$1,280,000; that is to say the \$6,400,000 purchased by us in excess of our exports, will really cost us, \$7,680,000. This exchange, of course, is paid in part by every person who consumes a dollar's worth of Chinese goods, as it becomes a part of their cost; and one section of the country is as much interested in reducing the amount as another, it being placed upon the people of the entire country as equally as the duty on imports or any other tax. If we can by the construction of this road open a new channel of commerce which will turn this treasure currents to direct shipments, which can be made from San Francisco in twenty-three days, saving from the present specie route at least sixty days in time, reducing the cost of shipment, including exchange, freight, interest, and insurance, to not exceeding four per cent., it would make, annually, a net saving to our people of \$984,000. To the sum thus saved should be added the cost of shipment of the same amount of treasure from San Francisco to New York, which cannot be done at less rates than three and one half per cent., and would amount to \$259,000. I may very properly add, that the entire balance of trade against us, on what is known in mercantile parlance as the "East India trade," will not fall short of \$18,000,000 per annum. On this sum the saving in exchange would amount to \$3,600,000.

But, sir, these are but a small portion of the benefits the country would derive from changing the specie route of the world into American channels of trade. It is estimated that the annual balance of trade against Europe and America, and in favor of the Mongolian race, reaches an aggregate of less than \$50,000,000. This vast sum should be met by the shipment of gold and silver from San Francisco; and our merchants on the Atlantic sea-board, instead of buying exchange in England to pay for purchases in China, should themselves sell to England and all Europe the exchange to pay their balances. When we reflect that almost the whole of the silver shipped to China and the East Indies is collected on the Pacific coasts of North and South America, and shipped thence across the Isthmus of Panama, *via* London and Suez, to the point of its destination, thus traversing three-fourths of the circumference of the globe, we may well marvel that our Government has failed for the last ten years to appreciate fully the importance of changing these currents of trade by building a continental road, to direct shipments from our own ports by our own people, and by so doing have made New York, instead of London, the point at which the world's balances should be settled. We have probably paid to Europe for exchange or credits in the East, during the last ten years, not less than \$14,000,000; and to pay our European balance, our merchants have paid for exchange and freight from the Atlantic sea-board to Europe probably not less than \$10,000,000. The gold to pay these balances during that time has been drawn from San Francisco, and has been shipped to New York, at a cost to our miners and merchants of not less than \$20,000,000—making, in the aggregate, \$44,000,000, which has been paid for *freight* on gold and silver and exchange, which might have been saved, almost wholly, by building this road and the establishment of steam communication between San Francisco and the East, which its construction would have immediately caused to be done, ten years ago.

Nor is this all, sir. A profit on this freight and the world's exchange, which now goes to England, amounting to nearly as much more, would have been realized by our commerce and people. Thus the country is sixty or, perhaps, seventy-five millions of dollars poorer to day because of our failure to discern and improve our opportunities in this direction.

I am aware, sir, these are startling figures, but they are, nevertheless, correct, being made up from actual computation of our trade and balances, and the rates of exchange as they have existed. For the last half century China has been the silver market of the world; thither have flowed and converged the silver currents of the globe. Within the last two years, and while our attention has been particularly directed to the subject of Asiatic commerce, we have discovered almost upon our western border the silver mines of Washoe and Esmaralda, abounding in wealth in this metal beyond the ability of man to compute. It is estimated by those competent to judge, that the yield of Washoe alone, for the coming year, will amount to \$20,000,000, and this, too, in the very infancy of those mines. When a sufficiency of proper machinery is introduced, probably within two or three years, the yield will not be less than thirty or forty millions of dollars per annum. The question, sir, is, shall we take such steps as will lead to the sending of this silver to its natural market directly, and reap all the advantages to be gained by so doing, or shall we pursue the old narrow-minded policy which has governed us so long, and allow it to take the route *via* Panama, New York, London, and Suez, a distance of twenty-five thousand miles, to reach its final destination, only five thousand miles from our shores, ourselves losing the freight, interest, and exchange, and giving to another and a rival nation the profits which should be our own? In other words, shall we avail ourselves of our own resources and apply them to our own benefit, or shall we continue to be, in this respect at least, a mere tributary, serving to swell the current of a rival's wealth, commerce, and power?

This subject is not one which concerns the Pacific coast alone, but is eminently national; New York, Boston, and the whole country being quite as much interested as the Pacific States. If any one section, in fact, is more interested than another, it is the great cities of the East, for it is there the balances of trade would be settled, and the profits of exchange would be paid. California has, however, an interest peculiar to herself in changing the present specie route. The balance of trade against her, and in favor of her Atlantic sisters with whom she deals, is about forty millions of dollars per annum. This amount she pays by shipments of gold, at a cost in freight, interest, and insurance, of little less than two millions of dollars per annum. If trade was changed, as it would be by a continental road, this balance against her would be adjusted by shipments to China, at the expense and to the credit of the merchants of New York, Boston, and Philadelphia, thus saving California this large item of expense, and largely benefiting them, as the money thus placed to their credit would settle their balances due China and the Indies, and form the basis of exchange to be sold to English and European merchants. I should not fail to notice in this connection, as a matter of great commercial importance, the fact that the Chinese are beginning to receive with much favor gold and silver

bullion, and it is probable that hereafter gold will be as acceptable to them as silver, and we may use as much of it in our trade with them as may be desirable.

I now propose to notice more particularly the advantages which would be derived from it in an extended commerce and increased markets for our manufacturers and agricultural productions.

Recent occurrences in China have opened the door to trade with millions of that people heretofore shut out by their expulsive policy. Mercantile men everywhere regard the opening of the Chinese rivers to commerce as one of the greatest events of the age in its commercial aspects; and one that we may avail ourselves of, if we will, to the great benefit of the whole country, by extending our commerce and increasing the markets for the productions of the country, particularly our coarse cotton goods, to almost any extent we may desire, for the building of this road with the steam lines it would call into existence, would enable us to transport freight between New York and China in thirty days, and as time nearly governs commercial operations, would give us such an advantage that no nation would be able to compete with us in the Asiatic trade.

One of the greatest wants of the country on the close of this war will be a market for our cotton. England, by her constant exertions, will have the ability in a few years, at most, to supply herself with this important staple independently of the United States. Unless, therefore, proper care is now taken, this once great element of national wealth will be lost to us forever. This we cannot afford and should not allow. It is no argument to say that the cotton planters are traitors, and deserve no encouragement from Government. The planter may be a traitor, but cotton is an important staple of commerce, and its loss would be a national calamity, affecting every interest wherever situated throughout the country. Great interests of this kind, though apparently local, are not so in fact. Whatever benefits any one great branch of industry, indirectly advances all others, and he who cannot see the intimate relations existing between them, and their mutual dependence upon each other's prosperity, can lay no claim to the title of statesman. But let England cease to purchase our cotton, when by her persistent efforts, continued through many years, she has gained an independence of us in this respect. I honor her for the careful guardianship she exercises over all her interests, and if we are equally careful, and display equal foresight, in advancing the interests of our people by creating a market in China for our manufactures, then, when she ceases to buy our cotton, it will only be transferred from the looms of Old England to the looms of New England, much to the benefit of the industrial and financial interests of the country.

Another consideration of great importance that should not be overlooked by any who have the welfare of the country at heart, is the agricultural interests on the Pacific coast. We have in the States of California and Oregon and Territory of Washington, an area, in square miles, as great as that embraced in the seven States of Ohio, Indiana, Illinois, Iowa, Michigan, Wisconsin, and Minnesota, with enough left to make seventeen States the size of Rhode Island. This extensive region is as rich in soil as any which we possess, and, as it extends through sixteen degrees of latitude, has a greater variety of climate than is to be found on our Atlantic border, and thus favored in soil and climate, is capable of sustaining a population of many millions, and is undoubtedly one of the greatest fields for agricultural enterprise ever opened to the industry of any people. Properly settled and cultivated, it is capable of turning off a larger surplus of cereals than is now produced in the whole country. And even now, notwithstanding the great majority of our people have been engaged in mining, and neglected agriculture almost wholly until 1854, our exports of wheat from San Francisco amounted, in 1860, to nine hundred and forty-eight thousand two hundred and twenty bushels; and of flour, to fifty-seven thousand eight hundred and twenty barrels, or more than one fourteenth part of the entire exports of the country in these articles; while our export of barley was probably somewhat larger than of wheat. This surplus will be increased, under ordinary circumstances annually from ten to twenty per cent., until it reaches a maximum greater than I should like now to name, for fear of being considered speculative. Our herds of neat cattle have already become so numerous that we scarcely know what to do with them, and are even now being slaughtering for their hides and tallow, upon the Mexican system.

What is to be done with these surplus products, is a question that addresses itself to every statesman, as the future prosperity of the country in no small degree depends upon the people of that coast finding a remunerative market for the products of their industry. In my opinion, if we provide for a continental road, it will be the means of giving us such frequent communication with Asia, and make our relations with the countries of the East such, that they may be made to occupy, as regards their excess of productions, the same position which England does to the Atlantic sea-board. In this direction we have already made an important beginning. In 1857, we exported to China in farm products, in value, \$202,532, and in 1860, \$513,113. These exports, though small, are gratifying, as they more than doubled in three years. In our exports of 1857, the item of flour amounted to only eleven

thousand five hundred and ninety barrels. In 1860 it had increased to thirty-seven thousand three hundred and twenty-eight barrels. The process of introducing our products is necessarily slow, as the Chinese are unaccustomed to our habits and articles of diet: but the progress already made is a sufficient indication that, with closer commercial relations and more frequent intercourse, they would, in a short time, adopt sufficient of our habits to require from us all the surplus cereals we shall have to spare them.

In securing a market in China and Japan for the production of the people of this distant portion of our country, the grain-growing and stock-raising States lying east of the Rocky mountains, are particularly interested, for if they do not find a market in that direction, they must continue to be competitors of those States in the markets of New York and Europe. This they may not damagingly feel now, but they will seriously feel such a rivalry in the future.

Sir, the benefits to be derived by obtaining control of the oriental trade cannot well be over-estimated; and I apprehend the more thought we devote to the subject, the more we shall be convinced we have hitherto failed in its just and proper appreciation. Towards the possession and control of this trade will the commercial strategy of nations be directed for the next ten years, and within that time it must be won by us or by some more enterprising people. Whether it shall be ours depends almost wholly upon our action in regard to this continental road, which alone can give us the facilities to command and to control it.

We may obtain some idea in reference to the magnitude and importance this vast eastern trade is likely to attain, when we consider the progress made in but a single branch of it for a few years past. An eminent commercial writer, speaking of England's India trade, says:

"The whole trade of India, in 1823, amounted to some three millions sterling, and now that of Bengal alone is thirty; while if that of Bombay, Madras, Pegu, and the straits be added, the total will not be far from seventy-five millions. Estimating the profit on that commerce at only twenty-five per cent., carrying trade included, India still adds nineteen millions a year to British wealth. And if the trade of India has increased in value within the last twenty-five years, to the extent of seventy millions sterling, when it has, with one exception, Bengal, been almost entirely confined to the coast and the deltas of the great rivers, the boldest conjecture will hardly exceed probability in guessing at its expansion within the next twenty-five years, or by the end of the century."

Of course, so far as Hindostan is concerned, or the bay of Bengal, we cannot hope to affect the supremacy of English commerce, but we may make it in some measure tributary to us; and we would certainly command a fair proportion of the light freight and passenger travel between Europe and Asia, and our trade with Sumatra, Java, Borneo, the Philippines, and surrounding islands, so rich in their commercial products, would be greatly increased.

We have, then, in urging us to favorable action on this measure, all the considerations of national safety from foreign aggression, internal development, the fostering of great interests, and a market to supply to the Pacific coast, which is in itself, in area, an empire, and in soil and climate the most favored portion of the country. Are not these sufficient reasons for the passage of this bill without delay? Let it not be said that this war will leave the country too much involved to give the required aid to this important enterprise. If we are poor, there is so much the greater reason why all the avenues of wealth should be opened to our people.

If the aid to be given towards the building of this road was a donation, instead of a loan of the credit of the Government, on unquestionable security, it would be but a mere bagatelle, considering the great results to be achieved by its construction.

Shall we delay, then, until England has built a road from the Canadas to Vancouver, and obtained absolute control over the oriental and even the Mexican trade on the Pacific, and established a protectorate over the Sandwich Islands, lying almost at the entrance of our Golden State, as France has already done over the Society Islands? Shall we longer permit the energy of our citizens, in carrying out great national objects of this kind, to maintain doubtful struggles against rival enterprises carried on by the combined efforts of the Governments and people of other countries, unaided by the friendly care and strong arm of our own Government? Are we to follow in the footsteps of the old-school politicians, who could find no power in the Constitution to do anything but plunder the national Treasury, by distributing the spoils of office among wrangling adherents, and whose masterly administration of the Government—masterly in its shameless frauds and wrongs—terminated in the present rebellion? Or shall we rather seek the public good, and by wise and judicious legislation fertilize all the fields of enterprise in which our citizens are engaged; and by aiding the construction of this road, not only secure the national safety, but indirectly give profitable employment to millions of our citizens in their factories, workshops, and mines, and on their farms throughout the country, and abroad on the high seas? Never did a single work promise such grand results. And, sir, that we shall thus gird the continent by belts of iron is not only demanded by the majority of our people, but is due to American enterprise and interests, and to the position, standing, strength, and safety of this great Republic.

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